



M E D I A R E L E A S E

STATE OF TENNESSEE
BUREAU OF TENNCARE

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TENNCARE MANAGEMENT EFFICIENCIES EXPAND UNLIMITED LIST OF DRUGS FOR ENROLLEES

NASHVILLE, Tenn. – Governor Bredesen has authorized the TennCare Bureau to include three new drug categories that will no longer count against the five-prescription limit in place for most adults on the program. The recommendation from TennCare Deputy Commissioner J. D. Hickey was possible because of dramatic pharmacy savings due to management efficiencies.

“We are on target to cut our expenditures by \$1 billion dollars to meet our budget goals,” said Hickey. “Now, because of savings from management decisions made in TennCare’s pharmacy program earlier this year, we are able to expand the number of drugs we will pay for through our short list.”

The new additions to the short list will target three common chronic diseases: diabetes, asthma and cardiovascular disease. Drugs on the short list do not count against the five-prescription per month limit and TennCare covers short list drugs even after an enrollee has exhausted the five-prescription benefit. The additional drug categories will be available on the short list November 1, 2005.

“Covering these drugs will help people who have multiple co-morbidities, especially in our elderly enrollee population,” said Hickey. “Essentially, enrollees will have access to these drugs that help keep them healthy when they are battling a number of chronic diseases that are not immediately life-threatening.”

Pharmacy is the fastest growing service area in TennCare. Prior to reform, nearly 50 percent of the program’s growth was in pharmacy costs. In fiscal year 2005 alone, TennCare paid \$2.4 billion total dollars in pharmacy for 42 million prescriptions. Aside from budget reductions due to disenrollment and benefit limits, TennCare has saved \$25 million a month due to pharmacy edits. An additional \$24 million in savings has resulted from a five percentage point increase in generic utilization compared to last year.

In a letter to Governor Bredesen, Hickey outlined several management changes in TennCare’s pharmacy program that contributed to the program savings. Among them are point-of-sale pharmacy edits or electronic “red flags” that a pharmacist sees on the computer screen when an inappropriate TennCare prescription is filled. TennCare has also reduced abusive prescription use with more aggressive retrospective drug utilization review (DUR) and data mining for key fraud indicators. Locking potential abusers into one pharmacy stops the abusive enrollee’s ability to fill multiple prescriptions at multiple pharmacies.

TennCare is Tennessee’s expanded Medicaid program covering 1.2 million Tennesseans, including over 620,000 children.

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